

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, ANE BUREAU

FROM: ANE/AF, Gary Mansavage and ANE/EA, Robin Gomez

SUBJECT: Afghanistan/Cambodia: Humanitarian Relief Flight Program

ACTION: Your signature is required on the attached Memorandum of Understanding to authorize the transfer of \$3 million from the Department of State (STATE) to A.I.D. for administrative and transportation costs related to the Department of Defense (DOD) Humanitarian Relief Flight program.

BACKGROUND: Section 305 of the DOD Authorization Act of 1986 created a program (commonly known as the McCollum Program, after one of the legislation's principal authors) whereby U.S. Air Force cargo planes airlift DOD excess non-lethal material, A.I.D. purchased commodities, and privately donated humanitarian goods to Pakistan for the benefit of war-affected Afghans. The conference report on Section 305 also provided for the transportation of individuals for medical treatment. As a result, cargo planes returning to the U.S. are used to evacuate a limited number of Afghans with war-related injuries to the U.S. and other countries for treatment.

From the beginning of the program in March 1986 through December 31, 1988, over 2200 tons of goods have been transported by DOD on 66 relief flights and delivered to the Afghan Resistance. More than 660 patients have been evacuated to 16 countries for medical treatment. McCollum funds have also been used to finance the transport of vehicles and mules consigned to the Alliance to carry humanitarian goods into Afghanistan.

In FY 1987, the DOD authorization and appropriation legislation provided that up to \$3 million could be used for "distribution of humanitarian relief supplies to the non-Communist resistance at or near the border between Thailand and Cambodia." To date, five DOD flights have delivered a variety of non-lethal assistance to the non-Communist Cambodian Resistance.

In addition, the 1987 DOD Appropriation Act stipulated that appropriated funds may be used for transportation and distribution of humanitarian and excess nonlethal supplies for "worldwide humanitarian relief," as well as for funding transportation for the Afghan humanitarian relief program, provided Congress is notified 21 days prior to the shipment of the relief. This provision has been interpreted as permitting use of the funds for transportation of humanitarian assistance globally after notifying Congress of any plan for use other than the Afghan program.

The entire McCollum Program is under State's policy direction. The activities of the Program carried out in the United States, such as collecting cargo and arranging flights, are managed by DOD. The in-Pakistan and in-Thailand activities, such as coordinating with the host governments and, for the Afghan program, selecting and processing eligible patients, are managed by A.I.D. To help finance the A.I.D.-managed activities, a portion of the McCollum funds are transferred to A.I.D.

DISCUSSION: In FY 1986, DOD transferred \$250,000 directly to A.I.D. to cover A.I.D.-managed activity costs. In subsequent fiscal years, DOD has transferred the funds to the Department of State, which, in turn, has transferred them to A.I.D. For FY 1989, Congress authorized the Department of Defense to transfer not more than \$3 million to the Secretary of State. DOD has transferred these funds to State and State is prepared to make the transfer to A.I.D. The attached Memorandum of Understanding (MOU), which has been cleared by the appropriate A.I.D., DOD, and State officials, authorizes State to transfer the \$3 million to A.I.D. As the MOU indicates, \$2.5 million will be transferred for immediate utilization by A.I.D. for the Afghanistan program. The remaining \$500,000 will be transferred to support the program for the non-Communist Cambodian Resistance.

RECOMMENDATION: That you sign the attached Memorandum of Understanding between A.I.D. and State.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE DEPARTMENT OF STATE AND
THE AGENCY FOR INTERNATIONAL DEVELOPMENT**

**SUBJECT: Transfer of Funds to Provide for Necessary Expenses
Related to the Transportation and Distribution of
Humanitarian Relief**

BACKGROUND

In 1986, Congress authorized to be appropriated to the Department of Defense \$10,000,000 for the purpose of providing transportation for humanitarian relief for persons displaced or who are refugees because of the invasion of Afghanistan by the Soviet Union. Congress directed that the transportation provided pursuant to this authorization be "under the direction of the Secretary of State." The part of this program involving expenditure of funds in Pakistan is administered by the A.I.D. Representative for Afghan Affairs, pursuant to an agreement with DOD concerning the expenditure of funds, and, in accordance with the legislation, under the direction of the Department of State.

In subsequent years, the Congress expanded the scope of the original legislation and increased the funding level. For FY 1989, Congress authorized to be appropriated \$13,000,000 for the purpose of providing transportation for humanitarian relief for persons displaced or who are refugees because of the invasion of Afghanistan." It was provided that not more than \$3,000,000 of the \$13,000,000 may be used for the distribution of humanitarian relief supplies to the non-communist resistance at or near the border between Thailand and Cambodia. Additionally, it was provided that the Secretary of Defense may transfer to the Secretary of State not more than \$3,000,000 of the \$13,000,000 to provide for (1) paying administrative costs of providing the above-referenced types of transportation, and (2) purchase or other acquisition of transportation assets for the distribution of relief supplies in the country of destination.

PURPOSE

This Agreement is entered into between the Department of State (State) and the Agency for International Development (A.I.D.) to provide for the transfer to A.I.D. for expenditure, subject to this agreement, the funds transferred to State pursuant to the above-mentioned legislation. The purpose of the transfer is to allow A.I.D. to administer these funds on a day-to-day basis, subject to the policy direction of State.

AUTHORITY

These funds are transferred from State to A.I.D. pursuant to Section 4(b) of the Migration and Refugee Assistance Act of 1962. The funds may be expended pursuant to Section 303 of the National Defense Authorization Act, FY 1989.

FUNDS TRANSFERRED

State shall immediately transfer to A.I.D. the \$3,000,000 transferred by the Department of Defense to State. The funds shall be transferred from State's Migration and Refugee Account (Account No. 1991143) to A.I.D.'s International Disaster Assistance Account (Appropriation Account 1191035).

TERMS AND CONDITIONS

1. It is understood that the authorization for the appropriation of these funds requires that transportation provided with such funds be under the direction of the Secretary of State. It is further understood that A.I.D. may use these funds only to pay administrative costs associated with providing transportation for humanitarian relief described herein and the purchase or other acquisition of transportation assets for the distribution of relief supplies in the country of destination.
2. \$2.5 million of these funds will be available for immediate utilization by A.I.D. in connection with authorized assistance to displaced Afghans. It is the intention of State and A.I.D. that these funds will continue to be administered on a day-to-day basis by the A.I.D. Representative in the US Embassy in Pakistan. A.I.D. shall obligate and expend the funds by entering into funding arrangements deemed appropriate for the execution of the Agreement.
3. The remaining \$500,000 of the transferred funds will be available for immediate utilization by A.I.D. in connection with authorized assistance to the non-Communist Cambodian Resistance.
4. State will be responsible for the policy direction of the program. The Bureau of Near East and South Asian Affairs (NEA) will remain the point of contact within State for the Afghan program. This responsibility will be implemented in the field by the

US Ambassador to Pakistan, and in Washington by the Deputy Assistant Secretary for NEA. The Asia and Near East Bureau will be the responsible office in A.I.D. for the Afghan program guidance and will be represented in the field by the A.I.D. Representative for Afghan Affairs. State has determined the basic method of program implementation and has directed A.I.D. to utilize it. A.I.D. and State shall consult on the appropriateness of expenditures. State understands that the conditions under which the Afghanistan program is implemented may preclude A.I.D. from applying normal accountability. NEA and A.I.D. will consult with relevant Congressional committees to ensure full understanding of these special circumstances.

The Bureau for East Asia and Pacific (EAP) will remain the point of contact for the non-Communist Cambodian Resistance (NCR) program. This assignment in the field will be implemented by the US Ambassador to Thailand, and, in Washington by the Deputy Assistant Secretary for EAP. The Asia and Near East Bureau will be the responsible office in A.I.D. for program guidance, and will be represented in the field by the A.I.D. Director. EAP and ANE shall continue to consult on appropriate methods of program implementation. A.I.D. and State shall consult on the appropriateness of expenditures. State understands that conditions under which the NCR program is implemented may preclude A.I.D. from providing normal accountability. EAP and A.I.D. will continue to consult with appropriate Congressional representatives to ensure full understanding of the NCR program.

A.I.D. shall provide State a yearly report describing the implementation of this program. The report will include but not be limited to a summary of the items, quantities, dates and the PVO or foreign government organizations receiving the excess supplies transferred under this Agreement. The report shall be submitted by May 1 of each year.

This Agreement is entered into on behalf of the Department of State and the Agency for International Development by the undersigned authorized officials this _____ day of _____, 1989.

DEPARTMENT OF STATE

AGENCY FOR INTERNATIONAL DEVELOPMENT

Undersecretary for Management

Carol Adelman
Assistant Administrator
Asia Near East Bureau

Clearances

AID:

ANE/GC:JSilverstone (draft)
PPC/ANE:MRugh (draft)
PPC/SI:RSheppard (draft)
ANE/PD:PLapera (draft)
ANE/AF:JMalick (draft)
ANE/EA:KSchwartz (draft)
ANE/DP:RHenrich (draft)
M/FM:BBonnaffon (draft)
DAA/ANE:TReese _____ (date) _____

STATE:

EAP/TB:VTomseth (draft)
EAP/VLC:CTwining (draft)
NEA/PAB:JBruno (draft)
NEA:JMEalum (draft)
NEA/L:JARbogast (draft)
L/PM:DKennedy (draft)
IO/ACU:MCreekmore (draft)
M/COMP/PB:RGreen (draft)
L/EAP:JSelby (draft)
RP:ANelson (draft)

DOD:

ISA/HA:GD'Angelo (info)